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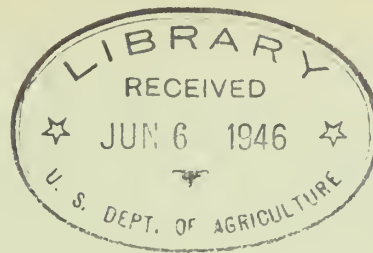
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UNITED STATES DEPARTMENT OF AGRICULTURE
USDA WAR BOARD
State College, New Mexico

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Farm War News
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Farm War

News



Season's Greetings

LIVESTOCK PRODUCERS IN FAVORABLE POSITION

Latest USDA analysis of the livestock situation indicates that 1945 prices for meat animals will be maintained at or above 1944 levels, while total meat output will be at least 2-billion pounds smaller than the 24.6-billion pounds indicated for 1944 on a dressed-meat basis.

Prices for hogs are expected to average higher than a year earlier during the present hog-marketing year due to large purchases of pork by WFA and the armed forces, combined with a sharp reduction in hog marketing which is expected to continue for the first 7 months of 1945. Purchases of beef by the armed forces are expected to be larger in the first half of 1945 than the same period of 1944.

Cattle feeding during the winter may be somewhat greater than a year earlier, with larger corn supplies and a wider spread between feeder and fed cattle prices. Feed supplies will be much more plentiful than last season. The total number of lambs fed this winter may be materially smaller than last year and may be the smallest in the last 10 years.

IMPROVED SUPPLY REDUCES SET ASIDE

The oilseed/^{meal} supply situation has improved so much that the 20 percent processors have been required to set aside from each month's production is being reduced during January, WFA has announced.

The new set-aside requirements are: 15 percent of all soybean meal or pellets; 15 percent of all peanut meal; 20 percent of the cottonseed meal, cake, and pellets produced in plants located west of the Mississippi River and a few counties in Tennessee and Mississippi; and 15 percent of the production in other plants east of the Mississippi River, and 20 percent of all linseed oilmeal and pellets. The set-aside procedure, with directed distribution by WFA, has been used since January 1944 so that available supplies of protein meal would be distributed to farmers as equitably as possible.

FARM PRODUCT PRICES RISE

Prices received by farmers jumped moderately during the month ending November 15, boosting the index to 196 percent of the 1910-14 average and nearly the highest peak of this war. The index a year ago was 194, and the 1935-39 average was only 107.

Prices paid by farmers climbed slightly during the same month. The index for prices paid now stands at 171 percent of the average for 1910-14, the period of years regarded as the parity base for agriculture. This index a year ago November 15 was 166.

MACHINERY OUTPUT BEHIND SCHEDULE

Shortage of component parts--the same obstacle that kept last year's farm machinery production program behind schedule--is cutting deeply into the 1945 production program, according to the War Production Board. Shortages of component parts are due to sudden upsurges in military requirements and lack of manpower to step up production. Main shortages are in malleable and grey iron castings.

With the exception of wheel tractors, repair parts and attachments, the output of farm machinery from July 1 to October 31 this year fell about 25 percent behind schedule. Wheel tractors were only slightly behind schedule, and attachments and repairs were on schedule. The 1945 production year began July 1, 1944.

WPB says the present lag in machinery production does not necessarily forecast a shortage at the time of seasonal demands, since manufacturers still have time to reach their quotas. Unpredictable military developments, however, may present production complications that may be difficult to overcome.

EGG PRICE PROGRAM FOR '45 ANNOUNCED

War Food Administration has announced a program to support the price of eggs to producers during 1945 at a minimum of 27 cents a dozen for candled, ungraded eggs and, in areas where marketing facilities for purchasing candled eggs cannot be made available, at a minimum producer price of 24 cents a dozen straight-run.

WFA points out that it is hoped that facilities for candling eggs can be provided in all areas. The price on candled eggs will be supported by purchases from dealers upon certification that they have paid producers no less than the support price. In areas where facilities cannot be made available for buying candled eggs from producers, WFA will stand ready to purchase eggs from farmers at the 24-cent price. Purchasing agents will be designated in such areas before the season for heavy egg production starts.

WFA cautions that its 1945 purchases must be delivered in good used cases or new fiber cases to avoid storage and transportation difficulties.

Last year, WFA purchased several million cases of eggs to support the price, and since egg production currently is running far ahead of estimated 1945 requirements, WFA is asking farmers and other producers to cut total egg output by 16 percent in 1945. This request calls for much heavier than normal culling of laying flocks between now and March 1, 1945. Government purchases of eggs for dehydrating purposes during this December and January total only 8.5 million pounds compared with 54.5 million pounds for the same two months a year ago. Meanwhile, total egg production for 1944 is at a record peak, exceeding the 1944 goal by 79 million dozen.

FRUIT AND VEGETABLE CEILING AIDS FARMERS

Farmers should gain a new market advantage under a new method which wholesalers of fresh fruits and vegetables must now use in figuring their ceiling prices. Under a directive issued by the Office of Economic Stabilization, wholesalers will be required to add their mark-up to the cost instead of to the farmers' ceiling in determining wholesale ceiling prices. This action will not be effective until present OPA regulations can be revised.

The new method is expected to shorten the price spread between the farmer and consumer, and may increase the amount of fruits and vegetables farmers are able to sell. WFA cites the situation last fall when the retail price of onions did not reflect the price to the farmer because wholesalers were permitted to add their mark-ups to the farmers' ceiling, which was higher than the price most farmers actually received. If the retail price had dropped correspondingly with the farm price, consumption would have increased.

FARMERS CAUTIONED ON USED-CAR PRICES

Farmers especially should check on the ceiling price of any used car before buying it. Because a farmer who buys a used car primarily to carry on his business is not a "consumer," says OPA, he falls into the same class as salesmen or doctors who use their cars in the course of trade or business, and is not entitled to recover in case he is over-charged.

So, before you close the deal for a car, be sure the price is right. Get your fair allowance for a trade-in. If you can and want to pay cash, don't let anybody persuade you to buy on time (with interest). And don't pay more than the amount recorded on your transfer certificate. Cash payments on the side are violations of the ceiling.

GO EASY ON OIL

Farmers who heat their homes with oil will need to hold consumption to last winter's levels in order to assure supplies throughout the heating season, according to the Petroleum Administration for War. Stocks of petroleum products are reported about the same as last year, but transportation difficulties may cause civilian shortages.

OUTLOOK IMPROVES ON CCC WOOL STOCKS

Outlook for disposal of CCC stocks of domestic wool which totaled 343,000,000 pounds (grease basis) on October 12 improved somewhat with the placing of new orders for army fabrics, but the improvement is regarded as only

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temporary since the outlet for domestic wool continues to be limited largely to military fabrics. Total consumption in 1944 will be slightly below the 1943 consumption of 1,061-million pounds.

The British Government recently reduced export prices of medium-grade wools about 5 to 6 percent, and the prices at which wools are sold to British manufacturers producing cloth for export by about 8 to 12 percent. The action is of considerable significance in the domestic price situation due to the disparity already existing between prices for domestic and imported wools in the U.S. market. Issue prices for wool sold to British exporters appear to be about in line with prices at which wool is sold to U.S. importers.

KING COTTON PUT UNDER MICROSCOPE

After a week-long discussion on current and post-war cotton problems, a special investigating group of the U.S. House of Representatives is preparing its report and recommendations on cotton for submission to the House Agriculture Committee.

The conference heard statements and suggested plans from representatives of all phases of the cotton industry. While the group will not prepare a bill, its report is expected to have a direct bearing on future cotton legislation.

Cotton leaders pointed out that it is evident that if cotton is to remain "King" it must: (1) reduce the current cotton surplus either by increased consumption or by adjusted production; (2) meet price and quality competition with U.S. synthetic and other fibers as well as with foreign-produced synthetic, cotton, and other fibers.

As solutions to these problems, here are several proposals:

1. Continuation of price support and loan programs along with marketing quotas to adjust production up or down according to market demands.
2. Allocation of domestic consumption to farmers with price support and loans on cotton produced within their allotments.

1. All extra cotton would be for export at world market prices.
3. Subsidies to cotton growers to make up the difference between the market and parity prices. Although expensive, this plan was suggested for a period until cotton is self-supporting.
4. Subsidization of exports after the war by means of customs duties collected upon imports. Receipts of this tax would be divided among exporters so that they could meet world prices.
5. Free trade. Elimination of tariff, price support and production adjustments.

COTTON ESTIMATE UP 39,000 BALES

Improved prospects in Missouri and Texas have raised the 1944 cotton crop estimate by 39,000 bales during November for an indicated total production for the year of 12,359,000 bales.

The Missouri crop is up 50,000 bales, while Texas' crop is 10,000 bales more than was estimated November 1. Reductions of 30,000 bales in Mississippi and 25,000 bales in California are expected, however. The 1944 indicated production is slightly below the 1933-42 average of 12,455,000 bales. Cottonseed production from the 1944 crop is indicated at 4,941,000 tons, compared with 4,378,000 tons in 1943.

COTTON CERTAIN TO FACE INCREASED COMPETITION

Cotton's post-war competitive situation in domestic markets is analyzed in a report by the USDA's Interbureau Committee on Post-War Programs which weighs the probability of partial or complete displacement of natural fibers by synthetic fibers for certain uses against the possibility of new expanded markets for the natural fibers.

The analysis is based upon these three factors: (1) Trends in the consumption of principal fibers preceding and during the war; (2) recent developments in connection with some of the principal specific uses for cotton; and (3) probable post-war developments.

The report illustrates the importance of cotton in supplying the Nation's textile fibers by comparing the 1935-39 average cotton consumption of 3,109,000,000 pounds with the peak war consumption in 1941 of 5,470,000,000 pounds. During the war years of increased fiber consumption, the report points out that cotton has held its place and has comprised about 73 percent of all fibers used. It gives significant data on the demand for cotton as influenced by competition from such synthetic fibers as paper, jute, and other wrapping materials, as well as rayon.

Consumption of rayon has continued its long-time upward trend with the total of 650,000,000 pounds for 1943, the highest on record. Rayon consumption in the U. S. has increased fourfold during the last ten years, while world consumption has shown a sevenfold increase in the same period. Reductions in the price of rayon have stimulated increased use. The price of rayon staple fiber declined from 60 cents per pound (net weight) in 1928 to 25 cents per pound at present. This has made it directly competitive in price with cotton, since there is less waste in using rayon and no premium for staple lengths.

Important prospective uses of cotton for which there is likely to be an increased demand after the war include insulation, special clothing fabrics, plastics, and cotton as a raw material for synthetic fibers.

HIGHER CEILING PRICES ON HOGS

The higher ceiling prices on light weight live hogs have now been made applicable to all weights of hogs, except sows, stags and boars, the OPA announced today.

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This means that all live barrows and gilts will have a ceiling of \$14.75 a hundredweight, Chicago basis, effective December 13, 1944.

The ceiling on sows, stags, and boars will be \$.75 per hundredweight under the ceiling established for barrows and gilts.

SECRETARY WICKARD SAYS

"It is just good business for industry and labor, and everyone else, to support farm programs which will enable agriculture to prosper."